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RICE TELLS SENATORS “THE TIME FOR DIPLOMACY IS NOW”

Says promoting democracy, securing freedom will be major goals

Secretary of State-designate Condoleezza Rice says that the Bush administration’s foreign policy in its second term will stress the importance of diplomacy and the value of democracy and freedom.

“We must use American diplomacy to help create a balance of power in the world that favors freedom. And the time for diplomacy is now,” Rice said during her confirmation hearing before the Senate Foreign Relations Committee January 18.

Rice, a former Stanford University political science professor and provost, also said that America will seek to strengthen its alliances, support its friends, and work to make the world safer and better. And she stressed the importance of working closely with the Congress in advancing U.S. foreign policies around the world.

“The work that America and our allies have undertaken, and the sacrifices we have made, have been difficult and necessary and right,” she said.

Rice, who was President Bush’s national security advisor during a tumultuous four-year first term, was expected to win easy confirmation by the committee and the full U.S. Senate. The committee was scheduled to confirm her nomination as soon as the hearing ended, and it appeared likely she would be confirmed as the 66th secretary of state by the full Senate on January 20

-- shortly after the president is sworn into a second term in office.

Senate Foreign Relations Chairman Richard G. Lugar praised her first four years of service in the Bush administration and said that the complex job before her will require all of her talents and experience.

"American credibility in the world, progress in the war on terrorism, and our relationships with our allies will be greatly affected by the secretary of state's actions and the effectiveness of the State Department in the coming years," Lugar said in an opening statement. "Dr. Rice is highly qualified to meet these challenges."

And Rice responded to Lugar's remarks in her testimony saying "If confirmed, I will work with members of Congress, from both sides of the aisle [referring to Democrats and Republicans], to build a strong bipartisan consensus behind America's foreign policy."

Turning to the Middle East, Rice said, "The stakes could not be higher. As long as the broader Middle East remains a region of tyranny and despair and anger, it will produce extremists and movements that threaten the safety of Americans and our friends."

She said there are hopeful signs, as Afghanistan and Iraq struggle to put their pasts behind them and choose paths of progress.

"The success of freedom in Afghanistan and Iraq will give strength and hope to reformers throughout the region, and accelerate the pace of reforms already under way," she said. "And the establishment of a Palestinian democracy will help to bring an end to the conflict in the Holy Land."

Rice said the United States has taken encouragement from the recent Palestinian elections. She added that she would work with the Palestinian and Israeli leaders and bring American diplomacy to bear on this issue.

Rice also said the United States and its allies must remain united in insisting that Iran and North Korea abandon their nuclear weapons ambitions and choose peace instead.

PUBLIC, PRIVATE RESOURCES BOTH BOOSTING DEVELOPMENT, U.S. SAYS

USAID's Natsios urges "broader view" of aid resources

By Berta Gomez
Washington File Staff Writer

Washington -- The chief of the U.S. Agency for International Development (USAID) says that current measures of global development aid focus only on government assistance, and fail to account for myriad other resources that can help poor countries pull themselves out of poverty.

Official development assistance (ODA) "is only a portion of the overall picture," USAID Administrator Andrew Natsios told reporters January 18. If measures of global development aid were to include resources made available to poor countries through public and private channels, U.S. assistance to the developing world in 2003, for example, would total more than \$112 billion, he said.

"We think there has to be a broader look at development," Natsios said at a joint news conference in Washington with Richard Manning of the Organization for Economic Cooperation and Development's (OECD).

Natsios was responding to the just-released OECD annual report on global aid flows, which calls for greater and more efficient development aid, especially to countries in sub-Saharan Africa.

Manning, chief of the OECD's Development Assistance Committee (DAC), said that while the 30 OECD member countries provided a record \$69 billion in development aid in 2003, more would be needed if donors hoped to achieve the Millennium Development Goals (MDGs) set by world leaders at the United Nations in 2000.

"To date, the only goal likely to be met is that of halving the proportion of people living on less than one dollar a day by 2015," Manning said.

Other goals such as improving gender equality, reducing maternal mortality and improving access to education worldwide are "off track," Manning said.

"Overcoming poverty will require a quantum leap -- more nationally driven strategies and policies supporting broad-based growth, trade and international policies that

support development, more investment and more aid,” according to the OECD report.

Offering a brief review of Bush administration aid policies, Natsios said that foreign aid has nearly doubled since 2000 to about \$19 billion in 2004 and that the United States provides an estimated 25 percent of all official development aid worldwide.

During President Bush’s first term in office, USAID made a concerted effort to channel aid to those most in need, Natsios said. By 2003, about one-third of all official development assistance was going to Africa, in “one of the untold successes of the first Bush administration,” he said.

But Natsios also said that other types of financial and aid flows can be crucial to development. Of the estimated \$112 billion in flows from the United States to developing countries in 2003, private capital flows accounted for 45 percent, workers’ remittances for another 25 percent, contributions from religious organizations 7 percent, and scholarships from U.S. universities and colleges to foreign students 2 percent.

The mix of resources “is a reflection of the essentially public/private nature of [the U.S.] system,” the USAID chief said.

U.S. universities in 2003 offered \$1.2 billion in scholarships to students from developing countries, Natsios said. “It is arguably ridiculous” not to include such contributions in tallies of development resources, he said.

For his part, Manning did not dispute the importance nonofficial assistance, but he did say that some poor countries continue to depend on aid provided by large donor countries. He said that one OECD goal is to ensure that its membership -- comprising the world’s major donor countries -- coordinates effectively and puts its money to good use. “We’re talking about a \$70 billion industry ... and we need to get the most ‘bang for our buck,’” Manning said.

The OECD report was published shortly after the United Nations released its own assessment of global development efforts and called for significantly higher aid levels from donor countries.

More information on the OECD Development Cooperation Report is available at:

http://www.oecd.org/document/22/0,2340,en_2649_201185_34285782_1_1_1_1,00.html

OUTGOING U.S. AGRICULTURE SECRETARY TO LEAD U.N. CHILDREN’S FUND

Veneman says she will focus on education, health, nutrition at UNICEF

By Judy Aita

Washington File United Nations Correspondent

United Nations -- U.N. Secretary-General Kofi Annan has appointed Ann Veneman, departing U.S. secretary of agriculture, as the fifth executive director of the U.N. Children’s Fund (UNICEF).

Veneman will replace the current executive director, Carol Bellamy, who completes her second five-year term May 1.

Annan made the announcement at a press conference January 18 at U.N. headquarters. He said that Veneman’s “extensive experience, as well as her personal commitment to UNICEF’s values and mission, makes her an eminently suitable person to lead UNICEF.”

He said Veneman “has focused strongly on new ways of feeding the hungry around the world” and has supported programs to advance children’s welfare at home and abroad.

The secretary-general also cited Veneman’s establishment of the “Leaders of Tomorrow” initiative to strengthen agricultural education programs and her work to share U.S. expertise on nutrition with other countries.

UNICEF was created in 1946 on the principle that nurturing and caring for children are the cornerstones of human progress. Its programs include providing education, especially for girls; preventing HIV/AIDS; building a protective environment for children; running massive child immunization campaigns; and mobilizing urgent aid for youngsters in emergencies such as the recent Indian Ocean tsunami disaster.

Veneman said that her aim in the new position would be to bring the world's children "results not rhetoric, benefits not banalities."

"The plight of children around the world is enormous," she said. "Children today must face issues that no child, no human being, should have to confront -- malnutrition and hunger; illiteracy and disease, especially the scourge of HIV/AIDS; exploitation and suffering; wars and natural disasters."

She said she would focus her attention on education, health and nutrition, seeking always not to "lose sight of the human face that is the focus of our efforts, that is the face of a child."

As the U.S. secretary of agriculture from 2001 until now, Veneman added, she joined President Bush "in making international development and assistance among our highest priorities" and in developing agriculture and fighting hunger around the world.

Veneman served as deputy secretary of agriculture from 1991 to 1993 and deputy under secretary of agriculture for international affairs and commodity programs from 1989 to 1991. She joined the Agriculture Department's Foreign Agriculture Service in 1986 and was associate administrator until 1989. From 1995 to 1999, Veneman was secretary of California's Department of Food and Agriculture, managing agricultural programs and services for the United States' largest and most diverse agricultural producing state. She has a masters degree in public policy and a doctorate in law.

USTR SPOKESMAN PRAISES WTO REPORT, DEFENDS FREE TRADE DEALS

Bilateral, regional agreements can bolster economic reform, he says

A U.S. trade spokesman has welcomed a report recommending reforms of the World Trade Organization (WTO). However, he defended the negotiation of bilateral and regional free trade agreements (FTAs), a practice viewed by the report as weakening the WTO and its chances to reach a broader, global deal.

"Our own experience with FTAs demonstrates that comprehensive, WTO-consistent FTAs can be effective vehicles for liberalization, economic reform, and economic development," Richard Mills, spokesman for the Office of the U.S. Trade Representative (USTR), said in a January 17 statement.

He also defended special U.S. tariff preferences for developing countries in the Caribbean, the Andes and elsewhere.

USTR has negotiated or is negotiating FTAs with trading partners from the Western Hemisphere to North Africa, the Middle East, sub-Saharan Africa and Southeast Asia.

The report by trade experts led by Peter Sutherland, former WTO director general (DG), asserts that FTAs and preferential tariff arrangements are undermining what it views as the core WTO principle inherited from the General Agreement on Tariffs and Trade (GATT): most-favored-nation (MFN) treatment, which prohibits discrimination among trade partners.

"Nearly five decades after the founding of the GATT, MFN is no longer the rule; it is almost the exception," the report says. "What has been termed the 'spaghetti bowl' of customs unions, regional and bilateral free trade areas, preferences and an endless assortment of miscellaneous trade deals has almost reached the point where MFN treatment is exceptional treatment."

The full report can be viewed at :
http://www.wto.org/english/thewto_e/10anniv_e/future_wto_e.pdf

Mills described the report as "a serious and constructive review of the WTO after its first ten years of operation." He said the United States especially welcomed what he called the report's strong support for an open, rules-based trading system and its suggestion for more WTO transparency, especially in the dispute-settlement process.

The report also recommends some refinement of the existing consensus approach, which gives any of the nearly 150 WTO members power to block a measure having broad support. It suggests allowing blocs of willing WTO participants to adopt more robust trade agreements among themselves. It also urges trade ministers of WTO members to meet every year rather than every other year.

The USTR statement is available at: <http://usmission.ch>